

FEDERAL ENERGY REGULATORY COMMISSION

Washington, DC 20426

May 17, 2005

OFFICE OF ENERGY PROJECTS

Project No. 2100-134-California  
California Department of Water  
Resources

Henry M. "Rick" Ramirez, Program Manager  
Oroville Facilities Relicensing Program  
California Department of Water Resources  
1416 9th Street  
Sacramento, CA 95814

**Reference: Deficiency of Application with Additional Information Request**

Dear Mr. Ramirez:

Your license application, filed on January 26, 2005, fails to conform to the requirements of the Commission's regulations. A list of deficiencies is enclosed as Schedule A. In addition, after the listing of the deficiencies, we list several aspects of your application that we need you to clarify. Please correct these deficiencies and respond to these clarifications within 90 days of the date of this letter.

From our initial review, we also find that we need additional information on your project. A list of the additional information is enclosed as Schedule B. Please file this information by within 90 days of the date of this letter.

If the correction of any deficiency causes any other part of your application to be inaccurate, that part must also be revised and refiled by the due date. Also, please be aware that further requests for additional information may be sent to you at any time before final action on your application.

Within five (5) days of receipt, you should provide a copy of this letter and the enclosed Schedules A and B to all agencies that we ask you to consult. Then, when you complete your response, make a written request to the agencies for comment. When you file the requested information with the Commission, you must provide a complete copy of the information to each agency consulted under Section 4.38 of the regulations, and all parties on the service list.

Please file an original and eight copies of the information requested with the Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426. Please put the docket number, P-2100-052, on the first page of your response.

If you wish to discuss any of the items contained in the Schedule B, please contact Jim Fargo within 5 days at (202) 502-6095.

Sincerely,

Timothy J. Welch  
Chief  
Hydro West Branch 2

Enclosure: Schedules A and B

cc: Service List  
Public Files

## **SCHEDULE A**

Following is a list of deficiencies that we have identified after review of the license application for the Oroville Project (FERC No. 2100). In addition, after the listing of deficiencies, we list several clarifications that we seek regarding certain aspects of your license application. Please correct these deficiencies and respond to these clarifications within 90 days of the date of this letter. We also request additional information necessary on certain other aspects of your license application. Please respond to our requests for additional information within 90 days of the date of this letter unless otherwise noted.

### **Deficiencies**

(1) We did not find proof of publication of the notice of the filing of the final license application in local newspapers. 18 CFR §4.32(b)(6) requires that you publish notice twice of the filing of the application not later than 14 days after the filing date, in a daily or weekly newspaper of general circulation in each county in which the project is located. Please provide proof of publication or tell us where in the application this documentation can be found.

(2) In Volume 1, Section 2.0 of Exhibit B of your license application, you describe project operations under various hydrologic conditions. However, you did not describe whether the plant was automatic, manual or some combination thereof, nor did you summarize plant factors for each powerhouse as 18 CFR § 4.51(c)(1) requires.

(3) In your license application, you do not provide an estimate of the dependable capacity. 18 CFR §4.51 (c) requires that you provide estimates of dependable capacity for both the proposed action and current conditions. You should also provide the critical period associated with the dependable capacity calculation and describe how the dependable capacity was computed.

(4) In Volume 1, Section 3 of Exhibit B, you say the tailwater of the Thermalito Diversion Dam powerplant is fixed by the elevation of the Fish Barrier Dam; however Exhibit B does not give that elevation. Also, we would expect the tailwater created by the Fish Barrier Dam to vary with the flow over the crest of the dam. For the Hyatt Pumping-Generating Plant, you explain that the tailwater is independent of flow up to 16,900 cfs (controlled maximum flow from the Thermalito Diversion Dam powerhouse); however, at flows higher than 16,900 cfs, we would expect the Thermalito Diversion Dam to surcharge. 18 CFR §4.51 (c) requires that you provide tailwater rating curves for the project. Therefore, please provide a tailwater rating curve for the Thermalito Diversion Dam

powerplant and at the Hyatt Pumping-Generating plant over the full range of outflows.

(5) 18CFR §4.51 (c) requires curves showing powerplant capability versus head and requires you to specify maximum, normal and minimum head. In Volume 1, Section 3 of Exhibit B, you provide a table showing the capacity at maximum, normal, and minimum head; however no curves were provided to show how the powerplant capability varies with head. Therefore, please provide such curves for each of the three power plants.

### **Clarifications**

(1) In section 6 of your applicant prepared preliminary draft EA, you include detailed information of proposed environmental measures for the proposed action and alternative 2. It is not clear from your description whether the annual O&M costs you show have been annualized over thirty years or represent the annual cost in the first year of the new measure. Please clarify which is the case.

(2) In Exhibit D, table D.4.5-1, you show the annual costs of the existing Oroville facilities. For us to better understand how you calculated these amounts, please provide the interest rates you used and the details of your calculations.

(3) In Table 6.4-1 of your preliminary draft EA, you show the value of the project's power in terms of gross energy generation. For us to better understand how you value the project's power, please provide both on-peak and off-peak energy generation and the corresponding energy values you use to calculate the project's gross energy generation value.

(4) Although you provided figures B.2.1-2 and B.2.1-4 showing the fluctuations in Oroville Lake and Thermalito Afterbay, because the lines appear light in the graphs the figures are difficult to read. For us to better understand the nature and extent of fluctuations, please provide the EXCEL version of the figures including the supporting data points and clarify whether the daily values are average daily or end of day values

(5) We have reviewed your study report SP-L4 titled "Aesthetics - Final Report, Aesthetics/Visual Resources (July 2004) and find that there are placeholders for most of the figures (1.2-1, 4.1-1, 5.2-2, etc). There are separate files on the website for some but not all of the figures that should be in SP-L4. Please provide hard copies of the figures.

(6) On page 4-9 in Section 4.1.3 of the applicant prepared PDEA, you state that comment letters received on the draft license application and applicant prepared EA can be viewed on the relicensing website, <http://orovillerelicensing.water.ca.gov>. We were unable, however, to locate the comment letters on the website. So that we may complete our analysis of the proposed action, please provide us with all comments letters received on the draft license application and applicant prepared PDEA.

## **SCHEDULE B**

### **Additional Information Requests**

(1) In your Section 1.4 of Exhibit H, titled *Coordination with Area Electrical Systems*, you say that the existing power supply contracts expire December 31, 2004. To enable us to accurately describe your need for power, please update this section with information on the portfolio of generation resources starting January 1, 2005.

(2) In Section 6.1.2.2 of your applicant prepared preliminary draft EA, you state that ancillary service benefits were added to arrive at a total annual net benefit for each alternative. However, you did not describe which ancillary benefits were included and the economic benefits associated with each. Therefore, for us to determine how you calculated the project's power benefits, please provide a more thorough breakdown of how the capacity value and each ancillary service value were developed.

(3) In Volume 1, Exhibit D of your license application, you provide O&M costs as one lump sum amount instead of itemizing them. For us to understand the existing O&M costs of the project and the projected O&M with your proposed environmental measures, we need you to provide each of the following costs:

1. Plant operations O&M
2. Administration and general expenses excluding insurance
3. Insurance
4. Current environmental measure O&M
5. Projected interim replacement costs over the next 30 years, including separate O&M and capital costs. (Please briefly describe each cost.)
6. Station service amount and cost

(4) In your license application, you describe the 1969 agreement between DWR and the Joint Water District Control Board to supply water to agricultural users. For us to better understand the terms of the agreement and how it affects the operation of your project, please provide us with a copy.

(5) Page 1-1 of your Fiscal Impacts report (R-19) indicates that “an electronic version of the spreadsheet model will be available once the study report process is completed.” For us to fully understand your model assumptions and determine its validity, we need to review the spreadsheet model and sensitivity analysis. Therefore, please provide electronic copies of the economic-fiscal model and sensitivity analysis referred to in the report. In responding to this request, please include all of the specific input used to calculate the costs and revenues reported in R-19, so that we can complete our analysis of the model results.